



Tax Rate Relief! for most employers



The Utah Legislature recently passed Senate Bill 202 that provides temporary tax relief to most employers for the 2004 rate year. It also is intended to prevent dramatic increases in future contribution rates and to smooth out contribution rate fluctuations in the future.

If an employer has had no UI benefit costs charged to its account over the past four fiscal years ending June 30, 2003, they are entitled to the minimum tax rate, which is the "Social Contribution Rate," and is the same for all employers. Many Utah employers have enjoyed historically low minimum UI tax rates for the past four years of .001 (.1%); this was originally increased to .004 (.4%); however, the recently enacted legislation has lowered the rate to .003 (.3%) for 2004. A small number of employers will see their 2004 contribution rates increase as a result of this legislation as the maximum overall contribution rate has increased from

.08 (8%) to .09 (9%), plus the applicable social contribution rate.

In addition, the legislation has reduced the maximum weekly UI benefits paid to claimants from 65% of the average weekly-insured wage to 62.5% beginning July 4, 2004. This will result in an approximate \$15 reduction in the maximum weekly benefit amount paid to unemployed workers. You can obtain a full description of Senate Bill 202 (SB202) via the internet at: www.le.state.ut.us (quick bill search).

Amended UI Contribution (tax) rate notices for 2004 were recently sent to all employers as a result of the legislative changes outlined above. The notices included a cover letter explaining the impact Senate Bill 202 had on the contribution rates. Employers were requested to disregard the original 2004 UI Contribution Rates Notices mailed to all employers in December 2003.

***The Utah Legislature
recently passed
legislation that provides
temporary tax relief to
most employers for 2004.***

Online Reporting Enhancements

If you are an employer who files your quarterly contribution reports on our Web site, you will notice some significant changes when filing reports for the first quarter of 2004. The new screen layout will provide an additional column which will display Year to Date employee wages. You will enter the wages for the current quarter, and then our system will automatically calculate the "Excess" wages for each employee. Once you finish entering all of the required data for the quarter, the system will calculate:

- TOTAL WAGES paid this quarter
- WAGES IN EXCESS of taxable wage base
- TAXABLE WAGES subject to contributions
- CONTRIBUTION DUE this quarter
- INTEREST for each month payment is late
- LATE FILING PENALTY if report filed late
- TOTAL DUE FOR THIS QUARTER
- PAST DUE/CREDIT BALANCE amount
- TOTAL DUE

What are "Excess" Wages?

Employers are required to pay contributions on each employee's wages up to a pre-determined wage level (taxable wage base) each year. The taxable wage base is defined by statute as 75% of the average annual insured wage in Utah, for 2004 it is \$22,700. What this means is if an employee makes more than \$22,700 during the year, all amounts greater than \$22,700 are Wages in Excess of the taxable wage base and are not considered Taxable Wages.

For example, if an employee is paid \$10,000 in each quarter, then all of their earnings in the first and second quarters would be taxable; however only \$2,700 would be taxable in the third quarter. The third quarter report would report Total Wages of \$10,000, Wages in Excess of \$7,300, and Taxable Wages of \$2,700. The fourth quarter report would report Total Wages of \$10,000, Wages in Excess of \$10,000, and Taxable Wages of \$0.

We encourage you to use our new enhanced Web site. We continue to strive to make reporting easier, more accurate, and less time consuming. Please share any feedback at <http://jobs.utah.gov/ui/employe.asp> or by calling 801-526-9400 or toll free at 1-800-222-2857 ext. 9400.

jobs.utah.gov

DEPARTMENT OF WORKFORCE SERVICES

Utah's Job Connection

Unemployment Insurance

...> Wage List > Employee List > Wage List > Employee List > Wage List > Employee List

Form 3H Employee List

Page Help

Employer Account:
Company Name:
Qtr./Year:
Due Date:

Sort by:

Modify Employee	Social Security Number	First Name	Employee Name Middle Init.	Last Name	2003 Wages Jan 1 _ Sep 30	2003 Wages Oct 1 _ Dec 31	Excess Oct 1 _ Dec 31
edit del	525555555	JOHN	Q	DOE	\$55,555.00	\$2,500.00	\$2,500.00
edit del	526555555	JAMES	A	SMITH	\$66,666.00	\$6,500.00	\$6,500.00

Would you like to add more employees? Yes No
(Select 'Yes' or 'No' and click 'Continue'.)

Total Wages Entered \$ 1,000.00

Back Menu Continue